

NSC BRIEFING

11 March 1959

BURMA

- I. Peiping busily attempting to exploit economic vulnerabilities of Southeast Asian countries and to undercut free world trade in area.
 - A. This threat likely to become increasingly serious as Chinese production grows.
- II. Recent example is case of Burma which faces an estimated surplus of up to 3,250,000 tons of rice. In addition, Burma faces stiffer competition from other exporters who also had bumper crop this last year.
 - A. This Burmese surplus contrasts sharply with 1958 exports of 1,500,000 tons.
 - B. In the meantime, Communist China is able to step up exports many times its 1958 sales to underdeveloped areas which totaled about 700 thousand tons.
- III. Burmese are unable to conclude a rice contract with traditional buyer Ceylon largely due to the Chinese-Ceylonese rubber-rice barter deal.
 - A. Sales to Indonesia will probably be hit by cheap Chinese rice deliveries ^{to} other old customers.

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